

- (iii) reduce the cost of borrowing to local bodies with appropriate credit enhancement measures and through restructuring of existing costly debts; and
- (iv) facilitate development of Municipal Bond Market.

For implementing Pooled Finance Mechanism, a State Pooled Finance Entity (SPFE) shall be required to be set up in each State. Each SPFE is to be primarily State designed and could either be a Trust or a Special Purpose Entity, provided that the entity is only a pass through vehicle. The basic advantage of setting up of SPFE would be that it would enable the ULBs to enter the bond market on a regular basis and take advantage of scaled up operations. Further, efficient SPFEs can generate fair degree of goodwill in the bond market and may be able to achieve much higher levels of efficiency in operations than individual ULBs. Most importantly, it shall be able to hedge risks against much large spectrum of activities than individual ULBs.

The Central Government would support SPFEs through the PFDF. Of the funds made available with the Central Government for PFDF, 5% would be utilized for project development assistance. Balance 95% would be utilized for contribution to the Credit Rating Enhancement Fund (CREF) to improve the credit rating of the Municipal Bonds to investment grade.

(c) and (d) Yes, Sir. A tentative allocation of Rs. 400 crore under the Tenth Five Year Plan has been made for the Scheme. However, no expenditure could be made so far as the Scheme was approved only on 29.9.2006.

### **Sanction for prosecution**

393. SHRI AMAR SINGH: Will the PRIME MINISTER be pleased to state:

(a) the number of requests for sanction for prosecution of high officials including ex-Chief Ministers alongwith the details of charges against each which were pending with Government as on 1st December, 2006;

(b) whether such requests have become redundant consequent upon the Supreme Court's recent decision which *interalia* says that no sanction is required to prosecute corrupt public servants accused of misusing their official position for personal gains; and

(c) if so, whether prosecution has since been launched against those persons whose sanctions were pending with Government as on 1st December, 2006 and if so, the details thereof and if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI SURESH PACHOURI):**

(a) As on 1.12.2006, sanction for prosecution under Section 19 of the Prevention of Corruption Act, 1988, has been sought by the Central Bureau of Investigation (CBI) in respect of 8 senior Government officers..

(b) Requests for accord of sanction for prosecution are required to be decided as per the provisions of the Prevention of Corruption Act, 1988 and the law laid down by the Supreme Court.

(c) As on 15.02.2007, sanction for prosecution under section 19(1) of the Prevention of Corruption Act, 1988 has since been accorded in respect of two officers.

**Central assistance for Municipalities in Maharashtra**

**394. SHRIMATI SUPRIYA SULE:** Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether as per the Central Government guidelines, the State Level Sanction Committee of Maharashtra has sanctioned Latur Municipality's 8 DPRs and proposal was submitted to the Central Government on the 2nd February, 2006;

(b) whether the sanctioning Committee of the State in its second meeting held on 28th September, 2006 has sanctioned 15 projects amounting to Rs. 264.615 crore for Kolhapur, Sanghli-Miraj, Kupward, Shirdi, Islampur, Pusad and various others;

(c) whether the Central assistance of the above two Municipalities and 11 Municipal Council are still awaited from the Central Government; and

(d) if so, by when a final decision would be taken in this regard?

**THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKAN):** (a) State Level Sanctioning Committee (SLSC) of Maharashtra in its meeting held on 8th June, 2006